

using the DPA. That coordination effort would work with private suppliers of medical items for more efficient and essential consideration when the U.S. is facing this kind of a public health emergency.

Although the U.S. appears to be exiting the pandemic now, DPA authorities are still in use to address our critical medical needs. We must be especially vigilant as the coronavirus continues to wreak havoc abroad, giving rise to potential new variants that the medical community will have to monitor closely.

Of course, we are all now far more sensitized to the pandemic risks that may arise with little notice in the future. Mr. VARGAS' legislation provides a blueprint for deploying the DPA more rapidly should we face a public health emergency in the years ahead, all while allowing for appropriate, active congressional oversight.

I am happy to cosponsor my friend's legislation. I appreciate the bipartisan work that we have shared undertaking this item in the House Financial Services Committee.

Mr. Speaker, I reserve the balance of my time.

Mr. CLEAVER. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. VARGAS).

Mr. VARGAS. Mr. Speaker, I rise today in support of the COVID-19 Emergency Medical Supplies Enhancement Act, H.R. 3125, because I agree with my good friend from Arkansas that we don't want to get caught at low tide with no bathing suit. In fact, that is a very bad idea.

The administration has been extremely effective in using the Defense Production Act to help produce vaccines and PPE. Following these efforts, cases and deaths have declined significantly. My bipartisan bill will support the current use of DPA and facilitate its use in the future to save lives.

This bill amends the DPA to explicitly include public health emergency preparedness as a core activity for national defense, as was mentioned by my good friend from Arkansas.

It also provides guidance to create an outreach representative who would act as the point person for Federal and private engagement to increase production of medically necessary materials.

It also requires the administration to provide a much-needed report clearly conveying the Federal contracts awarded under the DPA authorities.

Finally, it requires additional reporting on the percentage of contracts awarded to small businesses.

I urge the administration to disaggregate data on small businesses awarded the DPA contracts. We need to clearly see the number of contracts going to individuals from underserved communities, including communities of color, veterans, and individuals with disabilities.

I am proud to have introduced this bill with my good friend from Arkansas, Representative HILL; and also my

colleagues as cosponsors, Representatives TAYLOR, RYAN, and GONZÁLEZ-COLÓN. In a bipartisan manner, we have recognized the importance of public health emergency preparedness, including PPE and vaccine production.

(English translation of the statement made in Spanish is as follows:)

I also want to say that too many people in our Latino communities have died due to this virus. So, please, now that the vaccine is available, protect yourselves and protect our community—get vaccinated today.

También quiero decir que demasiadas personas de nuestras comunidades Latinas han muerto por este virus. Entonces, por favor, ya que la vacuna está disponible, protéjanse y protejan a nuestra comunidad—váyanse a vacunar hoy.

The SPEAKER pro tempore. The gentleman from California will provide a translation of his remarks to the Clerk.

Mr. HILL. Mr. Speaker, in closing, I thank my friend from California for his attention to this effort, particularly with the Federal oversight of how the DPA is used; what we can learn in this extraordinary past year that we have experienced; and how we can be better prepared not only now as we assess those contracts and the use of the Defense Production Act in this pandemic, but how we, as I said, can have a blueprint for the future. I congratulate him for his work and I appreciate his leadership.

Mr. Speaker, I have no further speakers, so I yield back the balance of my time.

Mr. CLEAVER. Mr. Speaker, I yield myself the balance of my time, which will be very short like this bathing suit.

Mr. Speaker, this bill takes the lessons we have learned over the past 14 months and builds on the DPA's purpose of harnessing our domestic industrial base in the interest of national defense to ensure that we have the medical materials necessary to respond to the COVID-19 pandemic and to future pandemics.

I thank Mr. VARGAS for his vision and hard work in ensuring that our Nation can bring together its leadership and scientific innovation and our impressive domestic industrial base to support our collective public health and well-being through access to necessary medical materials.

Mr. Speaker, I urge all of my colleagues to vote "yes" on the bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. CLEAVER) that the House suspend the rules and pass the bill, H.R. 3125.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

HOMEBUYER ASSISTANCE ACT OF 2021

Mr. CLEAVER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3008) to amend the National Housing Act to authorize State-licensed appraisers to conduct appraisals in connection with mortgages insured by the FHA and to require compliance with the existing appraiser education requirement, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3008

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Homebuyer Assistance Act of 2021".

SEC. 2. APPRAISAL STANDARDS FOR SINGLE-FAMILY HOUSING MORTGAGES.

(a) CERTIFICATION OR LICENSING.—Paragraph (5) of section 202(g) of the National Housing Act (12 U.S.C. 1708(g)) is amended—

(1) by striking subparagraph (A) and inserting the following new subparagraph:

“(A)(i) in the case of an appraiser for a mortgage for single-family housing, be certified or licensed by the State in which the property to be appraised is located; and

“(ii) in the case of an appraiser for a mortgage for multifamily housing, be certified by the State in which the property to be appraised is located; and”;

(2) in subparagraph (B), by inserting before the period at the end the following: “, which, in the case of appraisers for any mortgage for single-family housing, shall include completion of a course or seminar that consists of not less than 7 hours of training regarding such appraisal requirements that is approved by the Course Approval Program of the Appraiser Qualifications Board of the Appraisal Foundation or a State appraiser certifying and licensing agency”.

(b) COMPLIANCE WITH VERIFIABLE EDUCATION REQUIREMENTS; GRANDFATHERING.—Effective beginning on the date of the effectiveness of the mortgagee letter or other guidance issued pursuant to subsection (c) of this section, notwithstanding any choice or approval of any appraiser made before such date of enactment, no appraiser may conduct an appraisal for any mortgage for single-family housing insured under title II of the National Housing Act (12 U.S.C. 1707 et seq.) unless such appraiser is, as of such date of effectiveness, in compliance with—

(1) all of the requirements under section 202(g)(5) of such Act (12 U.S.C. 1708(g)(5)), as amended by subsection (a) of this section, including the requirement under subparagraph (B) of such section 202(g)(5) (relating to demonstrated verifiable education in appraisal requirements); or

(2) all of the requirements under section 202(g)(5) of such Act as in effect on the day before the date of the enactment of this Act.

(c) IMPLEMENTATION.—Not later than the expiration of the 240-day period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall issue a mortgagee letter or other guidance that shall—

(1) implement the amendments made by subsection (a) of this section;

(2) clearly set forth all of the specific requirements under section 202(g)(5) of the National Housing Act (as amended by subsection (a) of this section) for approval to conduct appraisals under title II of such Act for mortgages for single-family housing, which shall include—

(A) providing that the completion, prior to the effective date of such mortgagee letter

or guidance, of training meeting the requirements under subparagraph (B) of such section 202(g)(5) (as amended by subsection (a) of this section) shall be considered to fulfill the requirement under such subparagraph; and

(B) providing a method for appraisers to demonstrate such prior completion; and

(3) take effect not later than the expiration of the 180-day period beginning upon issuance of such mortgagee letter or guidance.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. CLEAVER) and the gentleman from Arkansas (Mr. HILL) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri.

GENERAL LEAVE

Mr. CLEAVER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and insert extraneous materials thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CLEAVER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3008, the Homebuyer Assistance Act of 2021, which would make a common-sense update to the Federal Housing Administration's requirements governing appraisals to allow licensed appraisers to conduct home valuations for FHA-backed mortgages.

The current requirement to utilize a certified appraiser for all FHA loans is simply outdated as it was put into place at a time when there were no minimum Federal standards for State licensure of appraisers, leaving concerns about consistency in competency across States.

Now that we do have minimum standards for licensure, FHA's certification requirement is not only out of date and out of alignment with Fannie Mae and Freddie Mac, it is also creating marketwide pressures for lenders to require certified appraisers for all loans, even if they are not FHA loans, just in case the mortgage switches to an FHA loan midway through the process.

This, in turn, makes it harder for licensed appraisers to obtain work at a time when certain areas are experiencing appraiser shortages, and we are already struggling to effectively recruit new and diverse appraisers. Licensed appraisers who are perfectly qualified to conduct appraisals for GSE loans should be just as qualified to conduct appraisals for FHA loans.

I would like to thank Mr. SHERMAN for introducing this legislation; and the Republican cosponsor, Mr. VAN TAYLOR, for supporting this all-important bill.

Mr. Speaker, I urge all Members to vote "yes," and I reserve the balance of my time.

Mr. HILL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3008, the Homebuyer Assistance Act of 2021, sponsored by my friend from California (Mr. SHERMAN) and cosponsored by my colleague from Texas (Mr. TAYLOR), who are both superb active members of the Committee on Financial Services here in the House.

The committee reviewed many of the issues faced by the appraisal industry. There were two concerns heard loud and clear from the witnesses: the prolonged backlog for appraisals and the decreased quality in appraisals used in transactions involving loans insured by the Federal Housing Administration, the FHA.

H.R. 3008 addresses these concerns in two ways. First, the bill amends current law to expand the pool of appraisers eligible to participate in FHA-insured transactions from being just certified appraisers to include both certified and licensed appraisers.

Additionally, the bill addresses the different training requirements that each must meet. Currently, certified appraisers must have 1,500 hours of supervised experience without any property value or complexity restrictions. Licensed appraisers need only 1,000 hours of supervised experience, and there are some property value or complexity restrictions on licensed appraisers.

So H.R. 3008 sets minimum trending requirements for both types of appraisers in FHA transactions. Certified and licensed appraisers must have at least 7 hours of approved training by The Appraisal Foundation or their State licensing agency. These changes will help break that logjam and bring FHA's appraisal rules in line with the current appraisal rules used by our government-sponsored enterprises, Fannie Mae and Freddie Mac, in the secondary market and in the conventional mortgage market.

Moreover, the changes that Mr. SHERMAN and Mr. TAYLOR proposed will help alleviate the appraisal backlog at the FHA and increase the quality of work being performed. That would benefit both homeowners and taxpayers alike.

As a former community banker in Arkansas, I understand firsthand how the appraiser shortage has been a problem in my home State. For example, in Arkansas, there has been a consistent delay in home purchases in rural areas because of the increased burdens that this shortage has brought about. This has created a ripple effect that has had a negative impact on the economies or in those neighborhoods.

Mr. Speaker, I thank my friends, Mr. SHERMAN and Mr. TAYLOR. I urge all Members to support this bill; and I reserve the balance of my time.

□ 1330

Mr. CLEAVER. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. SHERMAN), who is a sponsor of this legislation.

Mr. SHERMAN. Mr. Speaker, I thank the gentleman for yielding. I thank our

colleague from Texas (Mr. TAYLOR) for working with me on this bill, the Homebuyer Assistance Act of 2021. I thank the gentleman from Arkansas and the gentleman from Missouri for doing an excellent job of explaining the importance of this bill to the House, so I will be brief.

There is no more important day in the economic life of a family than when they buy a home, particularly, their first home, and appraisers play an important role in that very important day. So this bill looks to bring into synchrony the rules of the FHA dealing with appraisers, the FHA being the third-largest Federal home loan finance agency, bring those standards into conformity or rough conformity with the two larger Federal home loan finance agencies, Fannie Mae and Freddie Mac.

This will help deal with the shortage of appraisers that we are seeing in various parts of the country. Appraisers are an important part of the home-buying process for both lenders and borrowers to provide assurance that the amount of the mortgage is supported by the estimate property value.

Since 2010, all the State-licensed home appraisers have been required to meet minimum Federal education experience and examination requirements set by the Appraiser Qualifications Board.

So the standards set by the Appraiser Qualifications Board are fully sufficient for Fannie Mae and Freddie Mac, and they should be for the FHA as well. Unfortunately, until this bill passes, appraisers for FHA mortgages must meet the higher standard. This creates a shortage of appraisers who can do FHA appraisals.

By helping address the shortage of appraisers that plague many areas, this legislation will provide much-needed assistance for first-time, low-and-moderate income and minority homebuyers who rely on FHA mortgages or rely on mortgages that may become FHA mortgages during the process.

Over 83 percent of the FHA home mortgages made in 2018 were to first-time homebuyers and over one-third of all FHA loans were obtained by minority households. I am pleased to say that with the support of this House, we passed the Homebuyer Assistance Act in 2019 with overwhelming bipartisan support, 419-5.

Today, I hope the House renews that wisdom, and I hope to see a similar level of wisdom in the Senate.

Mr. HILL. Mr. Speaker, I thank my friend, the gentleman from California (Mr. SHERMAN), for his hard work on this bill.

I hope that we are able to get it over the finish line and to the President's desk. I appreciate Senator THUNE working on this in the Senate.

It is an important piece of legislation that will aid, as Mr. SHERMAN outlined, first-time home buyers. A majority of this benefit speeds up that process for the family who is trying to buy their

first home or a home that is low enough in mortgage size to be insured by the FHA. This is something we want to do to speed access to the American Dream for low- to moderate-income families.

I thank Mr. SHERMAN for his work, and I encourage all of my friends on both sides of the aisle to support H.R. 3008, and I yield back the balance of my time.

Mr. CLEAVER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I again want to thank the gentleman from California (Mr. SHERMAN) for bringing this legislation forward and for the support of the gentleman from Texas (Mr. TAYLOR).

This bill removes unnecessary barriers to the home-buying process, which will help millions of FHA borrowers over time.

Mr. Speaker, I urge my colleagues to join me in supporting this important legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. CLEAVER) that the House suspend the rules and pass the bill, H.R. 3008.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. NORMAN. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. Pursuant to section 3(s) of House Resolution 8, the yeas and nays are ordered.

Pursuant to clause 8 of rule XX, further proceedings on this motion are postponed.

INSIDER TRADING PROHIBITION ACT

Mr. CLEAVER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2655) to amend the Securities Exchange Act of 1934 to prohibit certain securities trading and related communications by those who possess material, nonpublic information, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2655

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Insider Trading Prohibition Act”.

SEC. 2. PROHIBITION ON INSIDER TRADING.

(a) IN GENERAL.—The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by inserting after section 16 the following new section:

“SEC. 16A. PROHIBITION ON INSIDER TRADING.

“(a) PROHIBITION AGAINST TRADING SECURITIES WHILE AWARE OF MATERIAL, NON-PUBLIC INFORMATION.—It shall be unlawful for any person, directly or indirectly, to purchase, sell, or enter into, or cause the purchase or sale of or entry into, any security, security-based swap, or security-based swap agreement, while aware of material, non-public information relating to such security,

security-based swap, or security-based swap agreement, or any nonpublic information, from whatever source, that has, or would reasonably be expected to have, a material effect on the market price of any such security, security-based swap, or security-based swap agreement, if such person knows, or recklessly disregards, that such information has been obtained wrongfully, or that such purchase or sale would constitute a wrongful use of such information.

“(b) PROHIBITION AGAINST THE WRONGFUL COMMUNICATION OF CERTAIN MATERIAL, NON-PUBLIC INFORMATION.—It shall be unlawful for any person whose own purchase or sale of a security, security-based swap, or entry into a security-based swap agreement would violate subsection (a), wrongfully to communicate material, nonpublic information relating to such security, security-based swap, or security-based swap agreement, or any nonpublic information, from whatever source, that has, or would reasonably be expected to have, a material effect on the market price of any such security, security-based swap, or security-based swap agreement, to any other person if—

“(1) the other person—

“(A) purchases, sells, or causes the purchase or sale of, any security or security-based swap or enters into or causes the entry into any security-based swap agreement, to which such communication relates; or

“(B) communicates the information to another person who makes or causes such a purchase, sale, or entry while aware of such information; and

“(2) such a purchase, sale, or entry while aware of such information is reasonably foreseeable.

“(c) STANDARD AND KNOWLEDGE REQUIREMENT.—

“(1) STANDARD.—For purposes of this section, trading while aware of material, nonpublic information under subsection (a) or communicating material nonpublic information under subsection (b) is wrongful only if the information has been obtained by, or its communication or use would constitute, directly or indirectly—

“(A) theft, bribery, misrepresentation, or espionage (through electronic or other means);

“(B) a violation of any Federal law protecting computer data or the intellectual property or privacy of computer users;

“(C) conversion, misappropriation, or other unauthorized and deceptive taking of such information; or

“(D) a breach of any fiduciary duty, a breach of a confidentiality agreement, a breach of contract, a breach of any code of conduct or ethics policy, or a breach of any other personal or other relationship of trust and confidence for a direct or indirect personal benefit (including pecuniary gain, reputational benefit, or a gift of confidential information to a trading relative or friend).

“(2) KNOWLEDGE REQUIREMENT.—It shall not be necessary that the person trading while aware of such information (as proscribed by subsection (a)), or making the communication (as proscribed by subsection (b)), knows the specific means by which the information was obtained or communicated, or whether any personal benefit was paid or promised by or to any person in the chain of communication, so long as the person trading while aware of such information or making the communication, as the case may be, was aware, consciously avoided being aware, or recklessly disregarded that such information was wrongfully obtained, improperly used, or wrongfully communicated.

“(d) DERIVATIVE LIABILITY.—Except as provided in section 20(a), no person shall be liable under this section solely by reason of the fact that such person controls or em-

plays a person who has violated this section, if such controlling person or employer did not participate in, or directly or indirectly induce the acts constituting a violation of this section.

“(e) AFFIRMATIVE DEFENSES.—

“(1) IN GENERAL.—The Commission may, by rule or by order, exempt any person, security, or transaction, or any class of persons, securities, or transactions, from any or all of the provisions of this section, upon such terms and conditions as it considers necessary or appropriate in furtherance of the purposes of this title.

“(2) DIRECTED TRADING.—The prohibitions of this section shall not apply to any person who acts at the specific direction of, and solely for the account of another person whose own securities trading, or communications of material, nonpublic information, would be lawful under this section.

“(3) RULE 10b-5-1 COMPLIANT TRANSACTIONS.—The prohibitions of this section shall not apply to any transaction that satisfies the requirements of Rule 10b-5-1 (17 CFR 240.10b5-1), or any successor regulation.”.

(b) COMMISSION REVIEW OF RULE 10b-5-1.—Not later than 180 days after the date of the enactment of this Act, the Securities and Exchange Commission shall review Rule 10b-5-1 (17 CFR 240.10b5-1) and make any modifications the Securities and Exchange Commission determines necessary or appropriate because of the amendment to the Securities Exchange Act of 1934 made by this Act.

(c) CONFORMING AMENDMENTS.—The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is further amended—

(1) in section 21(d)(2), by inserting “, section 16A of this title” after “section 10(b) of this title,”;

(2) in section 21A—

(A) in subsection (g)(1), by inserting “and section 16A,” after “thereunder,”; and

(B) in subsection (h)(1), by inserting “and section 16A,” after “thereunder,”; and

(3) in section 21C(f), by inserting “or section 16A,” after “section 10(b)”.

SEC. 3. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. CLEAVER) and the gentleman from Arkansas (Mr. HILL) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri.

GENERAL LEAVE

Mr. CLEAVER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert any extraneous materials thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CLEAVER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 2655, the Insider Trading Prohibition Act, which was introduced by my colleague, Mr. HIMES.